



# Iowa Department of Human Services

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Director

## INFORMATIONAL LETTER NO.1241

**DATE:** May 6, 2013

**TO:** All Iowa Medicaid Providers

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**SUBJECT:** Involuntarily Dissolved Providers

**EFFECTIVE:** July 1, 2013

This year the IME reviewed processes and legal tools to ensure Iowa's Program Integrity efforts could be as efficient as possible and consistent with Program Integrity "best practices" in other states. The IME then presented a resulting legislative proposal through the Medical Assistance Advisory Council (MAAC) to answer questions and gather feedback from Iowa Medicaid providers. One of the resulting tools involves provider businesses that lose their status as a legal business entity with the Secretary of State's office, and allows the IME to fully act on payments related to a dissolved provider entity.

The IME has experience where a provider was involuntarily administratively dissolved, meaning that the Medicaid enrolled corporation no longer existed, yet the provider (corporation) continued to receive Medicaid payments.

Effective July 1, 2013, legislation goes into effect that identifies as "overpayments" any Medicaid reimbursement paid to a provider that has been involuntarily administratively dissolved. A provider will be considered to be overpaid by the Medicaid Program 90 days after receiving notice that the provider has an involuntarily administrative dissolution from the Secretary of State. The provider must reinstate with the Secretary of State Office within the 90 days, which is considered a "grace period" under the legislation. The overpayments do not accrue until after the 90 day grace period. The principals of the dissolved provider are personally liable for the incorrect payment or overpayment.

The IME appreciates your partnership as we work together to serve the needs of the Iowa Medicaid members and protect the integrity of the Iowa Medicaid program. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, or locally in Des Moines at 515-256-4609 or by email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).